

INTRO TO THE GULF COOPERATION COUNCIL (GCC)



POLITICAL & ECONOMIC UNION

Kingdom of Saudi Arabia (KSA), United Arab Emirates (UAE), Oman, Kuwait, Bahrain, & Qatar



GDP = \$1.64 TRILLION USD

Larger economy than Canada
Growth rate -3.2% 2020 (COVID)
Growth rate +2.4% 2021 (est.)



PER CAPITA INCOME EQUALS OR EXCEEDS G-10 NATIONS



EXCHANGE RATE STABILITY

Five of six national currencies pegged to USD. Kuwait uses a basket of currencies dominated by USD



60 MILLION POPULATION

KSA & UAE represent 75%



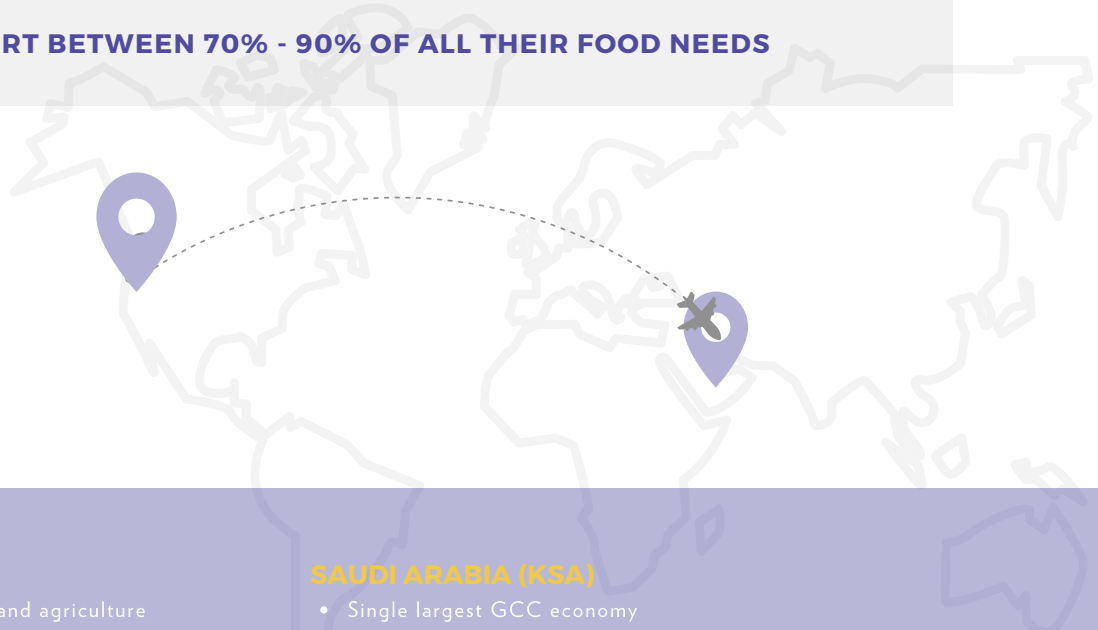
TOURISM BRINGS AN ADDITIONAL 50 MILLION CONSUMERS ANNUALLY



DIVERSIFICATION OF ECONOMIES AWAY FROM OIL RELIANCE



GCC COUNTRIES IMPORT BETWEEN 70% - 90% OF ALL THEIR FOOD NEEDS



MARKET PROFILES

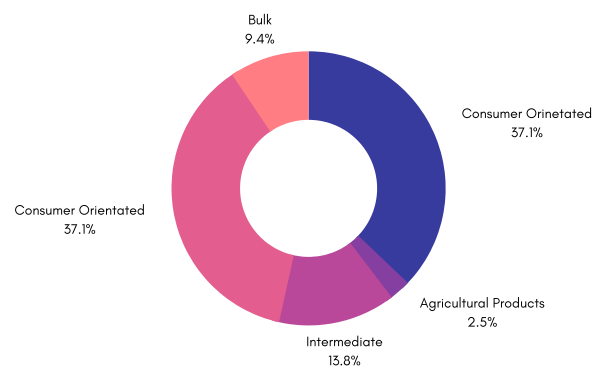
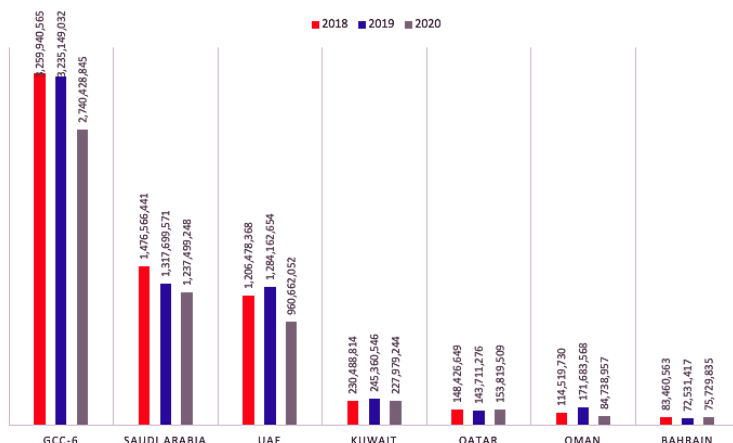
UAE

- Considered regional trendsetter for food and agriculture
- Second largest GCC economy
- Highly developed intermodal transportation system to facilitate international and interregional trade. Free zones accelerate opportunities for local manufacturing, importing and re-exporting
- Expats comprise almost 90% of the population in UAE
- Sophisticated, multi-prong marketing including digital & traditional
- Retail dominated by hypermarkets (57%) and supermarkets (24%)
- Food Service struggling during COVID. High quality dining slowly rebounding but value sector outperformed in 2020
- 568 Food manufacturers. Ten percent of raw materials from U.S.

SAUDI ARABIA (KSA)

- Single largest GCC economy
- Broad reforms underway including issuance of tourist visas, increased investment in tourism activities and relaxation of restrictions overall
- Expats comprise 30% of the population
- Vacations and higher education abroad have fueled demand for Western lifestyle, including food products
- Retail segment led by traditional grocery stores (59%) although traditional stores percentage is in decline to the advantage of modern grocery (hypermarkets, etc)
- Food service struggling due to COVID, especially high-end restaurants
- Growing food manufacturing sector (13% ingredients supplied by US)

U.S. EXPORTS OF AGRICULTURAL PRODUCTS TO GCC-6



U.S. AG EXPORTS BY MARKET SEGMENT, 2020

U.S. food industry known for top quality, reliability and thought leadership



GLOBAL MAJLIS
ACCESS
GMA MARKETING MANAGEMENT

OPPORTUNITIES

In a typical business cycle, opportunities are multiple in all channels of trade: retail, foodservice and food manufacturing. Like everywhere in the world, COVID has disrupted normal business activities and this region has struggled because of reliance on transportation and tourism, two of the hardest hit economic sectors globally, as well as a decline in oil prices.

At the present, retail sales are stronger than usual (including rapid growth in on-line, home delivery concepts) while food service and especially fine dining, has been less buoyant (social distancing, closure of restaurants, bars, etc).

CONSUMER AND MARKET TRENDS

"Good/Better for you" options

Plant Based

Diabetic/obesity solutions

New cuisines

Prepared foods, RTE meals

Time saving meal prep solutions

Ethnic products

Natural and Organic

Snack Foods

Online platforms

Fast food/Take Away

Non-alcoholic beer (KSA)

Vegan

Something new or wow factor

COVID UPDATE

Covid vaccinations are now readily available in the GCC and implementation of a "vaccination passport" for global travel is underway. This is expected to bolster tourism consumers in the coming months, especially with mega-events such as World expo (october 2021) and FIFA world Cup Soccer (2022)

key

IMPORT REQUIREMENTS

- Food laws developed within the Gulf Standardization Organization (GSO) and adopted as each country sees fit. Each country has the authority to amend and implement additional food laws.
- Your importer is most up to date source of information on import and labeling requirements. He will also register your products with local authorities, a prerequisite for importing into the region.
- At a minimum, a commercial invoice, bill of lading, country of origin declaration, certificate of weight and a packing list is required.
- Copies of UAE food standards and regulations may be purchased online directly from ESMA at esma.gov.ae. And for Saudi Arabia at sfda.gov.sa
- GCC has single customs tariff law allowing the majority of food products to enter at duty rate of 5% (most products). Some commodities are exempt from duties and alcoholic products are subject to 50% duty (where permissible). Select product are subject to a 50% "sugar tax".
- Single entry-point policy allows duty free transit of goods within member countries but exceptions apply.

LABELING

- You are not required to have Arabic-only labels but you must have certain information in Arabic. Adhesive Arabic stickers are permitted that contain key facts translated including product common name, ingredient list, country of origin, etc.
- Labels must contain both production and expiry dates.
- The USDA organic logo and certification is accepted by regional authorities.
- Meat and meat products must be halal certified and labelled. The GCC has pre-approved certain halal certification bodies in the USA to oversee procedures. Saudi Arabia procedures may vary from those of the UAE.
- Kosher certification is gaining in importance due to the Abraham Accords Peace Agreement signed in late 2020 in the UAE. Currently most hotels are seeking kosher certification for handling kosher meals. Emirates Airlines has completed a purpose-built Kosher kitchen to better serve passengers.
- Pet food labels must be printed in Arabic (can be stickers). Labels must contain the statement "Not fit for human consumption". Production/Expiry dates are required for pet food. Currently pet food containing pork is prohibited.

